



Make in India: A Step towards Socio-Economic Growth in India

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Abstract: To transform India into a global manufacturing hub, Make in India was launched in September 2014. The objective behind this programme is to reduce dependence on imports, creation of jobs and solving the problem of balance of payments which is negative from past few years. This paper aims at studying how Make in India programme played a major role during this Covid 19 period. Indian manufactures are self reliant, it is cleared that during this period India had supplied Hydroxychloroquine to more than 40 countries. The paper aims at studying how different policies for boosting up Make in India programme helped MSME sector and startups to survive and revive during this Covid 19 period.

(Keywords: *Make in India, Manufacturing hub, MSME, Impact on Indian Economy*)

1. INTRODUCTION

It's time to make India a manufacturing hub like China. Due to Covid 19, Indian economy has suffered a lot. To boost GDP and tax revenue, it's time to launch this programme for 2nd time. For the first time, Make in India was launched in September, 2014 by Shri Narendra Modi (Honorable Prime minister of India). The manufacturing sector in India contributes 15% to its GDP and the target is to rise is up to 30%. Now India has decided to reduce import goods from other countries. To become self sufficient and dependent, Atmanirbhar Bharat Abhiyan was launched on 12th May, 2020. India has faced the COVID 19 situation fortitude but spirit of self reliance makes possible production of more than 2.5 lacs PPE (Personal Protection Equipment) kits daily which was zero in March, 2020. For resurgence of Indian economy, there is need to focus on five pillars. These are (1) Economy (2) Infrastructure (3) System (4) Vibrant demography (5) Demand. Making the country self reliant is the only way to make 21st century belong to India. To boost the concept of Make in India, Prime Minister said we have to become "vocal for local". For strengthening the local markets, production and supply chains, our finance minister Nirmala Sitaraman announced

package of 20 lakh crore in five tranches that will focus on Make in India and leads to employment generation and skill development which will remove poverty and unemployment (which has been arisen due to this pandemic).

2. LITREATURE REVIEW

(1) **Kumar et al. (2019)** concluded that reason behind launching of Make in India programme is to increase the GDP and tax revenues in the country, by producing the products that meet high quality standards and minimizing the impact on the environment.

(2) **Srinivasan and Moorman (2019)** concluded in their paper that government has launched several schemes of finance like MUDRA (Micro unit refinancing development agency) which is providing loans to young entrepreneurs up to 10 lacs and its very easy for them to bring their idea into reality. Make in India converts job seekers into job providers.

(3) **Sunday et al. (2020)** concluded that Atmanirbhar Bharat Abhiyan will promote investment in the country, schemes to boost manufacturing, upgrading and augmenting industrial infrastructure, initiatives for improving the quotient of ease of doing business.

(4) **Kaur Prabhjot and Singh Kawalpreet (2020)** concluded that Make in India and Atmanirbhar Bharat Abhiyan will focus on economic growth and employment generation. These policies are a step of move towards more self reliant that will strengthen micro, small, medium and large enterprises.

(5) **Adrian and Pennie (2020)** concluded that there are three types of expenditure by individuals, businesses and government that make up GDP of India. There is also a fourth component called net exports (that is, the net of exports and imports) which is in control of our hands. Make in India and Atmanirbhar Bharat Abhiyan focuses on becoming self reliant that can reduce imports and “balance of payments” can be improved in coming times.

(6) **Klaus et al. (2020)** concluded that to ease the business environment of the country after this pandemic, there is need of fiscal incentives, which has been announced by our finance minister in stimulus package. Collateral free loans have been arranged for young entrepreneurs that will boost up Make in India.

(7) **Weick and Roberts (2020)** concluded that digitization, favorable demographics and reforms can help India in dream of transforming India into a manufacturing hub. Atmanirbhar Bharat Abhiyan can lift up spirits of 1.3 billion people.

(8) **Bagozzi et al. (2020)** in his study, investigates the relationship between “Foreign Direct investment and Economic growth”. Government has taken necessary steps in recent years for making India a 5 trillion \$ economy. Make in India, Stand up India, Start up India are some of steps in direction of economic growth. Atmanirbhar Bharat Abhiyan will make easy availability of loans to MSME sector in India and Young entrepreneurs.

3. OBJECTIVES OF THE STUDY

- To understand the impact of Make in India and Atmanirbhar Bharat Abhiyan on the Indian Economy.
- To study the recent policy measures and incentives taken by government.
- To determine whether this programme will successful or not post Covid 19 and to recommend future course of action accordingly.

4. VARIABLES USED IN STUDY

Macroeconomics indicators have been used in this study for analysis.

1. **Gross Domestic Product:** It is value of goods and services produced within a country in a specific year. It is calculated in three ways: expenditure method, income method and value added.
2. **Exports:** It refers to value of goods and services sold abroad.
3. **Imports:** Value of goods and services purchased from another countries in a particular year.
4. **Exchange rate:** It is a rate at which one currency can be exchanged for another.
5. **Fiscal Deficit:** It is difference between total income of government and total receipts.
6. **Foreign Direct Investment:** It refers to the investment made by a company or an individual of one country in another company of a foreign country. This can be in form of setting up a new business in a foreign country, or taking over an already established business.

5. BENEFITS OF MAKE IN INDIA POST COVID 19

1. We can increase exports of goods and services because young entrepreneurs come into picture with knowledge and skills of current business environment.
2. We can stop youngsters running abroad. Government is encouraging youth to move towards becoming job providers instead of job seekers.
3. The talent can be best utilized and can increase production in the country. Young minds are fully aware of new technology in this modern era. Using their skills and creativity they can come up with new products in market.
4. Our foreign exchange reserves will increase. Young minds will start up their projects in India with their new skills and start selling in country and outside the country. It will increase our foreign reserves and improve the condition of balance of payments.

6. FACILITIES TO YOUNG TALENT FOR BECOMING ENTREPRENEURS AND BOOSTING MAKE IN INDIA PROGRAMME

The Covid 19 pandemic and the consequent lockdown have been highly disruptive in terms of businesses, particularly for the Micro enterprise sector.

1. **MUDRA Yojna (Micro unit development refinancing agency):** With an objective to promote entrepreneurship and Make in India programme, PMMY (MUDRA) Scheme was launched by government to fulfill the funding needs of micro unit and entrepreneurs. This scheme provides loans in three categories

1. **Shishu:** Covering loans up to Rs 50,000
2. **Kishor:** Covering loans above 50,000/- and up to 5, 00,000.
3. **Tarun:** Covering loans above 5, 00,000 and up to 10, 00,000.

2. Quick Business Loans: The government of India introduced a quick business loan portal for individuals who wish to expand their business. Under this scheme MSMEs can get loan amount from Rs. 1 lakh to Rs 5 Crore in less than 59 minutes from public and private sector banks.

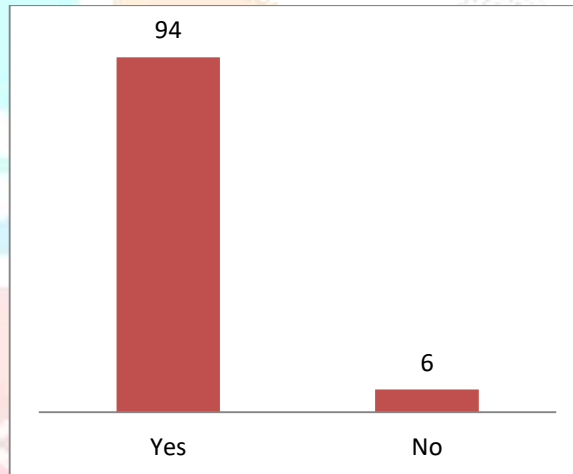
3. Atmanirbhar Bharat Abhiyan Package: As per report of The Hindu, a survey was conducted for 5500 MSMEs; it was found that 75% of MSMEs were not able to pay salaries to their employees in the month of April-May. To combat this situation of MSME and new startups, a relief package worth Rs 20 lakh crore was announced by Finance Minister Smt Nirmala Sitaraman. This package aims at providing collateral free loans to MSMEs and new startups.

7. RESEARCH METHODOLOGY

42% of startups and SMEs were out cash during this lockdown period. Atmanirbhar scheme helped these units to revive and survive. A survey was conducted of 100 MSMEs and new startups in month of July, 2020.

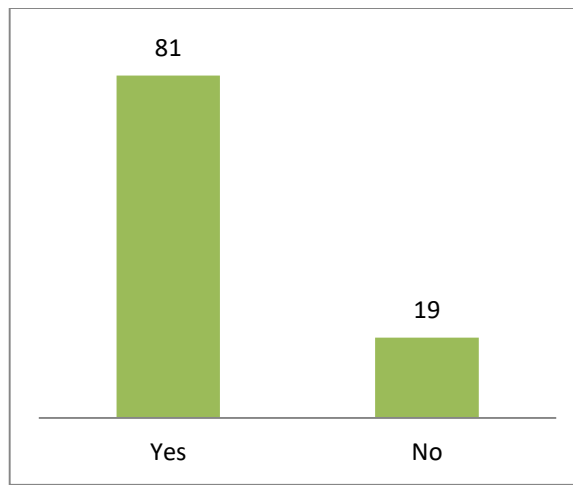
Data has been collected through telephonic interview from MSME owners and young entrepreneurs who have started their business under Make in India programme.

Ques 1 Are you able to get loan up to Rs 10 lakh easily from bank under MUDRA Yojna?



94 respondents agreed that MUDRA Yojna is providing loans to them for expanding their business. They were able to take loan and using this amount for purpose of procurement of raw material, advertising and marketing expenditure after this lock down period to survive and expand whereas 6 respondents said that there arise several issues regarding documentation while taking loans under this MUDRA Yojna.

Ques 2 Relief package worth Rs 20 lakh crore has been announced recently by finance minister. Do you benefitted from this package in terms of soft loan for your business and startup.



81 respondents said that they have benefitted from Atmanirbhar Bharat Abhiyan package. Govt has granted Rs 3 lakh crore for providing collateral free loans to MSMEs and startups. Respondents said that banks are providing loans under this plan to us. These loans are need of hour. Near about 10-15 lakh loan is easily granted to MSME depending upon their nature and turnover of business and it will help small business and startups to revive and stand up again in economy to provide their services. Many small manufacturers said that using this loan amount they are producing mask and sanitizers. Whereas 19 respondents said that this package is not providing relief as per requirement.

8. CONCLUSION

It is quite evident that startups and MSMEs had a long and tough road ahead. Make in India programme and Atmanirbhar Bharat Abhiyan can bring MSME sector back on track. India has proved itself one of the fastest growing economies of the world. Today Make in India programme has make small industries and startups to produce PPE kits through their own resources. In March, 2020 we are not producing a single kit, today we are producing more than 2.5 lakh PPE kits.

India has provided a big basket of essential drugs and life saving kits to a number of countries to help in the fight against Covid 19. India has export 285 million tablets of anti malaria drug Hydroxychloroquine to more than 40 countries. All these are possible due to Make in India programme. Indian manufacturers have sufficient quantity raw material with them to combat with any critical situation.

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